

DETROIT/WAYNE COUNTY PORT AUTHORITY

LEGISLATIVE ENHANCEMENTS

Port Authorities were legislatively enabled by the State of Michigan through Public Act 639 of 1978 (PA 639). A combination of cities and/or counties can enable a port authority, which resulted in the City of Detroit and Wayne County incorporating the Detroit/Wayne County Port Authority (DWCPA) in 1979. Henry Ford II was the DWCPA's first Board Chairman and Director and sought to lead an agency that would foster development and growth at the Port of Detroit. Throughout its history, the DWCPA has been a conduit between our private port terminal operators, and their constituent units of government, on policy and funding issues that impact the Port of Detroit.

Port Authorities throughout the United States have become vital engines for economic development, regionalism, transportation growth and job creation. Port Authorities are generally viewed as hybrid governmental/ business organizations. The DWCPA possesses powers typical of government including the ability to own real and personal property, can facilitate condemnation and land bank activities, and structure creative financing through unlimited revenue bonding capacity. However, the DWCPA also possesses powers typical of private enterprise in that it is independently operated, separate from its constituent units, can raise money and apply for grants from both public and private sources, and most importantly, can retain and reinvest revenues.

Port Authorities are established as independent agencies and are responsible for producing revenue, typically via lease payments from terminal operators for land owned by the port authority. This public-private model of partnership that began at the port has grown in places like Ohio and Indiana, to include projects off the waterfront and in the community, creating new revenue streams for reinvestment back into port initiatives that span tourism, alternative energy, infrastructure, and brownfield redevelopment. Examples are available of Michigan losing job creating projects to Ohio because Ohio port authorities were better equipped to respond to the needs of private businesses.

Michigan's current law governing the powers and capabilities of port authorities has not been updated since it was first established in 1978. It's quite reflective of our economy during the late 1970s, but falls woefully short in addressing the available opportunities within development finance. To permit the DWCPA to have a more effective role in helping to retain and create jobs in Michigan, the Act should be updated by:

- Defining the Authorized Purposes of PA 639 by adding language specifically delineating the types of projects in which port authorities can be involved. For example, the list might include activities that "enhance, foster, aid, provide, or promote transportation, economic development, housing, recreation, education, governmental operations, culture, or research." This language is identical to Ohio and Iowa port authority laws.
- Expand the existing language which defines "port facilities" to include land, building or equipment that is owned, leased, otherwise controlled or financed for one or more authorized purposes within the jurisdiction of a port authority, again identical to Ohio and others state port authorities.